



P.O. Box 942701  
Sacramento, CA 94229-2701  
(916) 795-3829  
Telecommunications Device for the Deaf  
No Voice (916) 795-3240  
www.calpers.ca.gov

Date: November 4, 2005  
Reference No.:  
Circular Letter No.: 310-258-05  
Distribution: I, IIA, IV, V, VI, X, XII

Special:

# **Circular Letter**

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND  
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION AND  
ITS COMMITTEES

The CalPERS Board of Administration and its Committees are scheduled to meet on the following days in November. All meetings will be held in public session unless otherwise noted.

## Investment Committee

Date and Time: Monday, November 14, 2005, 8:30 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

## Board of Administration

Date and Time: Monday, November 14, 2005, 9:00 a.m.

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Members of the Board will attend a workshop entitled, "Expanding Investment Opportunities Through Diversity."

## Investment Committee

Date and Time: Monday, November 14, 2005, 1:00 p.m. or upon adjournment of the Board Diversity Workshop, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code section 11126(c)(16) and personnel matters pursuant to Government Code sections 11126(a)(1) and (g)(1).

## Health Benefits Committee

Date and Time: Tuesday, November 15, 2005, 9:30 a.m. or upon adjournment or recessing of the closed session scheduled for 8:30 a.m., whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held at 8:30 a.m. to discuss 2006 Health Plan contract provisions and rates (Government Code section 11126(c)(17)), and potential litigation – Employer Subsidy: Medicare Part D (Government Code section 11126(e)(2)(C)).

Benefits and Program Administration Committee

Date and Time: Tuesday, November 15, 2005, 11:00 a.m. or upon adjournment or recessing of the Health Benefits Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Health Benefits Committee

Date and Time: Tuesday, November 15, 2005, 1:00 p.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held to discuss 2007 Health Plan Contract negotiations pursuant to Government Code section 11126(c)(17).

Finance Committee

Date and Time: Tuesday, November 15, 2005, 2:00 p.m. or upon adjournment or recessing of the Health Benefits Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Wednesday, November 16, 2005, 8:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel issues pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Wednesday, November 16, 2005, 9:00 a.m. or upon adjournment or recessing of the closed session of the Board of Administration, which is scheduled to commence at 8:00 a.m., whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Questions pertaining to the meetings may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO  
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**BOARD WORKSHOP  
Presented by the CalPERS Investment Office**

**Expanding Investment Opportunities Through Diversity**

**Monday, November 14, 2005  
9:00 a.m. – 12:00 Noon**

Lincoln Plaza North  
400 Q Street, Room 1140  
Sacramento, California

**AGENDA**

9:00	Opening Remarks	Rob Feckner President, CalPERS
	Introduction of Keynote Speaker	Senator Nell Soto
9:15	Keynote Presentation	Henry Cisneros American City Vista
9:45	Presentation on Survey Results: Opportunities, Challenges, and Best Practices in Promoting Diversity	Rick Brown The Results Group Warren Henderson and Pam Scott Mosaic Investment Advisors
10:15	Panel Presentation: Perspectives on Diversity in the Investment Industry	Moderator – Warren Henderson Mosaic Investment Advisors
	Panelists: Kym Hubbard, Illinois State Board of Investments Clayton Jue, Leading Edge Investment Advisors Luis Nogales, Nogales Investors Karl White, MBTA Retirement Fund	
11:30	Recommendations and Next Steps	Mark Anson Chief Investment Officer, CalPERS
11:50	Closing Remarks	Rob Feckner
Noon	End of Session	

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**November 14, 2005**

**PLACE:**

**Lincoln Plaza North  
Auditorium  
400 Q Street  
Sacramento, California**

**TIME:**

**CLOSED SESSION      8:30 a.m.**    (Government Code section 11126(a)(1) and (c)(16))

**CHIEF INVESTMENT OFFICER'S BRIEFING ON  
MARKET AND PERSONNEL ISSUES**

**OPEN SESSION      1:00 p.m. or upon adjournment of the Board Workshop on  
"Expanding Investment Opportunities Through Diversity",  
whichever is later**

**CLOSED SESSION      Upon adjournment or recessing of Open Session  
(Government Code sections 11126(a)(1), (c)(16) and (g)(1))**

**ROLL CALL:**

**Committee Members**

**Charles Valdes, Chair  
George Diehr, Vice Chair  
Ron Alvarado  
Philip Angelides  
Marjorie Berte  
Robert F. Carlson  
Rob Feckner  
Priya Mathur  
Michael Navarro  
Tony Oliveira  
Mike Quevedo, Jr.  
Kurato Shimada  
Steve Westly**

	1. CALL TO ORDER AND ROLL CALL
ACTION	2. Approval of Agenda
ACTION	3. Approval of the October 17, 2005 Open Session Minutes
ACTION / INFORMATION	4. Real Estate a. Real Estate Annual Plan
ACTION / INFORMATION	5. Alternative Investment Management (AIM) Program a. AIM Annual Plan
ACTION / INFORMATION	6. Global Equity a. International Fund Service (IFS) Contract Renewal b. Selection of Environmental Public Equity Managers for Spring-Fed Pool c. New Enhanced Indexing Initiative d. Corporate Governance Internal Staff Working Group Update e. PacifiCare and United Health Merger
ACTION / INFORMATION	7. Global Fixed Income a. International Fixed Income Managers Annual Review
ACTION / INFORMATION / CONSENT	8. Chief Investment Officer's/Assistant Executive Officer's Report a. Consolidated Investment Activity Report b. Amendment to Primary Pension Consultant Contract c. Global Equity Internally Executed Asset Transition
INFORMATION	9. Draft Agenda for December 12, 2005
	10. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

# **CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

## **BOARD OF ADMINISTRATION**

### **INVESTMENT COMMITTEE**

**November 14, 2005**

- |                         |  |
|-------------------------|--|
| <b>CLOSED SESSION</b>   | <b>Upon adjournment or recessing of Open Session</b><br>(Government Code section 11126(c)(16))<br>(Government Code sections 11126(a)(1) and (g)(1) [Items 10a and 10b only]) |
|                         | 1. CALL TO ORDER AND ROLL CALL   |
| ACTION                  | 2. Approval of the October 17, 2005 Closed Session Minutes   |
| INFORMATION             | 3. Asset Allocation Update   |
| INFORMATION             | 4. Real Estate<br>a. Portfolio Acquisition   |
| INFORMATION             | 5. Alternative Investment Management (AIM) Program   |
| ACTION /<br>INFORMATION | 6. Global Equity<br>a. Co-Investment Opportunity<br>b. Corporate Governance Internal Staff Working Group Update<br>1) Focus List – AIG Update<br>c. External Manager Update  |
| INFORMATION             | 7. Global Fixed Income<br>a. External Manager Update   |
| INFORMATION             | 8. Chief Investment Officer's/Assistant Executive Officer's Report<br>a. Status of Action Items Not Yet Reported   |
| CONSENT                 | 9. Activity Reports<br>a. Alternative Investment Management Program<br>b. Risk Managed Absolute Return Strategies Program<br>c. Public Markets                               |
| ACTION                  | 10. Chief Investment Officer<br>a. Recruitment<br>b. Interim CIO   |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
HEALTH BENEFITS COMMITTEE**

**November 15, 2005**

**Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA**

**COMMITTEE MEMBERS**

George Diehr, Chair  
Priya Mathur, Vice Chair  
Ron Alvarado  
Philip Angelides  
Robert F. Carlson  
Rob Feckner  
Michael Navarro  
Charles Valdes  
Steve Westly

**CLOSED SESSION: 8:30 a.m., ANNOUNCEMENT OF CLOSED SESSION TO DISCUSS 2006 HEALTH PLAN CONTRACT PROVISIONS AND RATES (Government Code Section 11126(c)(17)) AND POTENTIAL LITIGATION – EMPLOYER SUBSIDY: MEDICARE PART D (Government Code Section 11126(e)(2)(C))**

**TIME: 9:30 a.m., or Upon Adjournment or Recessing of Closed Session, Whichever is Later**

**CLOSED SESSION: 1:00 p.m., ANNOUNCEMENT OF CLOSED SESSION TO DISCUSS 2007 HEALTH PLAN CONTRACT NEGOTIATIONS (Government Code Section 11126(c)(17))**

1. CALL TO ORDER AND ROLL CALL
2. ANNOUNCEMENT OF CLOSED SESSIONS TO DISCUSS:
  - 2006 HEALTH PLAN CONTRACT PROVISIONS AND RATES AND POTENTIAL LITIGATION – EMPLOYER SUBSIDY: MEDICARE PART D
  - 2007 HEALTH PLAN CONTRACT NEGOTIATIONS
3. APPROVAL OF OCTOBER 18, 2005, HEALTH BENEFITS COMMITTEE MEETING MINUTES
4. RECOMMENDATION FOR APPROVAL OF AWARD OF CONTRACT NO. 2004-3521, PHARMACY BENEFIT MANAGER, TO THE SELECTED FINALIST
5. STATUS OF CONTRACTING AGENCY ENROLLMENT AND MARKETING EFFORTS

Action/Richard Krolak

Information/Holly Fong

Action/Richard Krolak	6. MEDICARE PART D IMPLEMENTATION
Action/Richard Krolak	7. PROPOSED AMENDMENTS TO 2006 CCPOA AND PORAC HEALTH BENEFITS PLANS
Action/Ron Seeling	8. BOARD'S ADMINISTRATIVE DECISION ON GASB 43 AND 45 – CONSIDERATION OF PRE-FUNDING RETIREE MEDICAL BENEFITS
Information/Terri Westbrook	9. ASSISTANT EXECUTIVE OFFICER REPORT
Information	10. PROPOSED AGENDA FOR DECEMBER 13, 2005, HEALTH BENEFITS COMMITTEE MEETING
Information	11. PUBLIC COMMENTS

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

**November 15, 2005**

**11:00 A.M. OR UPON ADJOURNMENT OR RECESS OF  
THE HEALTH BENEFITS COMMITTEE, WHICHEVER IS LATER**

Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, California

**COMMITTEE MEMBERS**

Kurato Shimada, Chair  
Rob Feckner, Vice Chair  
Ron Alvarado  
Philip Angelides  
Robert F. Carlson  
George Diehr  
Priya Mathur  
Michael Navarro  
Steve Westly

**AGENDA**

- |                                   |    |   |
|-----------------------------------|----|---|
|                                   | 1. | CALL TO ORDER AND ROLL CALL   |
|                                   | 2. | APPROVAL OF THE SEPTEMBER 20, 2005 BENEFITS AND<br>PROGRAM ADMINISTRATION COMMITTEE (BPAC)<br>MEETING MINUTES |
| Information/Lisa Marie<br>Hammond | 3. | LEGISLATION   |
| Action/Ken Nitschke               | 4. | PROPOSED REGULATIONS – SERVICE CREDIT<br>INSTALLMENT PAYMENT INTEREST   |
| Action/Rick Nelson                | 5. | 2006 PUBLIC AGENCY, STATE AND SCHOOL ELECTIONS-<br>NOTICES OF ELECTION AND SCHEDULE OF EVENTS                 |
| Information/Ron Seeling           | 6. | CHIEF ACTUARY REPORT  |
| Information/Kathie Vaughn         | 7. | ASSISTANT EXECUTIVE OFFICER REPORT  |
| Information/Kathie Vaughn         | 8. | DRAFT AGENDA FOR DECEMBER 13, 2005 BPAC<br>MEETING  |
|                                   | 9. | PUBLIC COMMENT  |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**FINANCE COMMITTEE**

**Tuesday, November 15, 2005**

**2:00 p.m. or Upon Adjournment or Recess of the  
Health Benefits Committee Meeting, Whichever is Later**

Lincoln Plaza North  
400 Q Street  
Sacramento, CA 95814  
Auditorium

**COMMITTEE MEMBERS**

Robert F. Carlson, Chair  
Steve Westly, Vice Chair  
Philip Angelides  
George Diehr  
Priya Mathur  
Charles Valdes

**AGENDA**

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF SEPTEMBER 16, 2005 MEETING MINUTES

**AUDITS**

ACTION  
Larry Jensen

3. DRAFT AUDITED FINANCIAL STATEMENTS

**COMPLIANCE**

INFORMATION  
Sherry Johnstone

4. COMPLIANCE OFFICE REPORT

### **ADMINISTRATION**

INFORMATION  
Curtis Howard

5. ASSISTANT EXECUTIVE OFFICER REPORT

INFORMATION  
Curtis Howard

6. PROPOSED DECEMBER 2005 AGENDA

7. PUBLIC COMMENT

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

NOVEMBER 16, 2005

LINCOLN PLAZA NORTH  
400 Q STREET, AUDITORIUM  
SACRAMENTO, CA

**AGENDA**

**CLOSED SESSION** CHIEF EXECUTIVE OFFICER'S BRIEFING ON PERFORMANCE  
**8:00 A.M.** AND PERSONNEL ISSUES  
(Gov. Code secs.  
11126(a)(1) and  
(g)(1))

**OPEN SESSION**  
**9:00 A.M. OR UPON ADJOURNMENT OR RECESSING OF CLOSED**  
**SESSION, WHICHEVER IS LATER**

1. CALL TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. ANNOUNCEMENT OF CLOSED SESSION
4. APPROVAL OF THE OCTOBER 19, 2005 MEETING MINUTES

INVESTMENTS

Mr. Anson 5. CHIEF INVESTMENT OFFICER'S/ASSISTANT EXECUTIVE  
OFFICER'S REPORT

COMMITTEE REPORTS (ANY AGENDA ITEM FROM A  
PROPERLY NOTICED COMMITTEE MEETING HELD  
PRIOR TO THIS MEETING MAY BE REPORTED ON OR  
PRESENTED TO THE BOARD FOR ITS  
CONSIDERATION.)

Mr. Valdes 6. INVESTMENT COMMITTEE (ORAL)

Mr. Shimada 7. BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE  
(ORAL)

Mr. Diehr 8. HEALTH BENEFITS COMMITTEE (ORAL)

- |             |     |   |
|-------------|-----|---|
| Mr. Carlson | 9.  | FINANCE COMMITTEE (ORAL)                      |
| Ms. Mathur  | 10. | PERFORMANCE AND COMPENSATION COMMITTEE (ORAL) |
| Mr. Feckner | 11. | AD HOC BOARD GOVERNANCE COMMITTEE (ORAL)      |

GENERAL

- |                |     |   |
|----------------|-----|---|
| Mr. Buenrostro | 12. | BOARD MEETING CALENDAR                  |
| Mr. Buenrostro | 13. | CHIEF EXECUTIVE OFFICER'S REPORT (ORAL) |

GOVERNMENTAL AFFAIRS

- |            |     |  |
|------------|-----|--|
| Mr. Walton | 14. | BOARD'S STATE LEGISLATIVE PROGRAM/BOARD'S<br>POSITION ON STATE LEGISLATION     |
| Mr. Walton | 15. | BOARD'S FEDERAL LEGISLATIVE PROGRAM/BOARD'S<br>POSITION ON FEDERAL LEGISLATION |

LEGAL

- |           |     |  |
|-----------|-----|--|
| Mr. Mixon | 16. | PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES<br>A. SALLY MAPES<br>B. DAVID MARTIN<br>C. CLARENCE D. SAMUELSON |
| Mr. Mixon | 17. | GENERAL COUNSEL'S REPORT<br>A. MONTHLY NEW CASE REPORTS<br>B. ASSIGNMENT MATRIX                                  |

OTHER

- |                |     |  |
|----------------|-----|--|
| Mr. Feckner    | 18. | BOARD TRAVEL APPROVALS                     |
| Mr. Buenrostro | 19. | DRAFT AGENDA FOR DECEMBER 14, 2005 MEETING |
|                | 20. | NEW BUSINESS AGENDA SETTING                |
|                | 21. | PUBLIC COMMENT                             |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.